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a BDSA export potential study

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THE MARKET FOR SELECTED **PHOTOGRAPHIC PRODUCTS** in the UNITED KINGDOM and FRANCE

U. S. DEPARTMENT OF COMMERCE

1964

UNITED STATES DEPARTMENT OF COMMERCE

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BUSINESS & DEFENSE SERVICES ADMINISTRATION

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Foreword

This report is designed to help U.S. manufacturers of photographic products to sell in the United Kingdom and France, where the market potential for high-quality advanced types of U.S. photographic equipment is expanding rapidly. It is one of a series of market studies made by the Business and Defense Services Administration (BDSA), U.S. Department of Commerce.

The purpose of the series is to uncover new or expanding opportunities overseas for U.S. businessmen by identifying and describing specific markets for particular products or groups of products.

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George Donat, Administrator
Business and Defense Services Administration

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Preface

Definition of Photographic Products: The photographic products covered in this study are primarily industrial, commercial, and professional types. They are broken down into two categories: (1) still and motion picture cameras, and projection equipment; and (2) apparatus used in reproduction processes including photocopying, blueprinting, whiteprinting, and microfilming.

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Part I.—The United Kingdom

SUMMARY ANALYSIS

Since the end of World War II, growing demand for photographic products in the United Kingdom has stimulated production of and foreign trade in these items. In the prewar period, the U.K. consumer's interest went little beyond the box-type camera. A sizable amateur market has now developed for more advanced and sophisticated types of still and motion picture equipment.

Furthermore, an even greater market potential exists for commercial, professional, and scientific photographic equipment and materials, in view of the fact that sales of nonamateur items in the United Kingdom average about 60 percent of total sales of photographic products, roughly the same proportion as in the United States.

The market in the United Kingdom for U.S. photographic products has room for considerable expansion despite a decrease in sales in 1962. Specifically, the categories of lenses, processing and finishing equipment, photocopying and microfilming apparatus, studio equipment, and other noncamera or nonprojector items offer the greatest promise. Sales of this type of equipment by U.S. manufacturers accounted for 30 percent of the U.K. market in 1962.

Factory shipments of photographic products (excluding sensitized materials, paper, and chemicals) in the United Kingdom in 1962 totaled approximately $33 million, including $3.2 million for lenses and $8.5 million for reproduction equipment. Trade sources indicate that 60-85 percent of U.K. camera and projection equipment production consists of items for industrial, commercial, and/or professional use.

Exports of photographic products (excluding sensitized materials, paper, and chemicals) from the United Kingdom totaled $25.2 million in 1962. Leading customers were West Germany, Italy, and the United States.

Distribution of much of the nonamateur photographic equipment in the United Kingdom is made direct from the manufacturer or importer to the retail trade. Because of certain variable factors, there is no precise formula for deriving retail prices for photographic goods. The U.K. import agent is the logical point of contact for the U.S. exporter in the establishment of prices and marketing of products.

Apparent consumption of photographic equipment was valued at $41.3 million in 1962, up from $26.6 million in 1957. Three-fourths of the increase was attributed to larger purchases from abroad. Imports increased by $23.1 million and exports by only $12.1 million. The best-selling categories were projectors at $12 million and still cameras at $10 million.

While total U.K. imports of photographic products (excluding sensitized materials, paper, and chemicals) increased substantially in 1960-62, from $26.6 million to $33.5 million, imports from the United

States, after increasing from $4.5 million in 1960 to more than $7 million in 1961, fell back in 1962 to less than $6 million. This drop is attributed primarily to the liberalization of imports from Japan in December 1961. Major suppliers of photographic products to the United Kingdom in 1962 were West Germany, the United States, and Japan, in that order.

Photographic equipment manufactured in the United States is considered to be of similar quality to the products manufactured by U.S. subsidiaries in the United Kingdom and of similar or better quality compared with those imported from other countries. At the same time, the U.S. products are considered high-priced and tend to be noncompetitive on this basis alone.

Nonamateur photographic equipment is advertised in trade journals and in periodic exhibitions. The U.S. Trade Center Exhibit in London affords U.S. manufacturers an excellent opportunity to promote the sale of their products.

There are no quantitative restrictions on U.K. imports of photographic products. However, import duties for most classes of photographic equipment are rather high and, because ad valorem rates are based on the c.i.f. values at U.K. port of entry, the U.S. exporter is at a disadvantage alongside European suppliers. This disadvantage is compounded in that applicable taxes and markups are based on the landed duty-paid value.

Because of the high U.K. import duties and strong competition from cheaper goods made in other countries, some U.S. firms are considering manufacturing partial or complete units in the United Kingdom.

Competition from German and Japanese equipment exacts the best in U.S. know-how and ingenuity in the fields of production and marketing in order to sell in the U.K. market. Greater efforts are required in introducing new products and processes. Sales emphasis should be placed not only on newly developed items but on all advanced high-quality equipment and on prducts not otherwise available in the United Kingdom.

DOMESTIC PRODUCTION

According to data furnished by the British Board of Trade, the value of U.K. production of photographic equipment in 1962 amounted to $21.3 million (table 1). The figures exclude values of photographic lenses and reproduction equipment--estimated at $3.2 million and $8.5 million, respectively--yielding a total U.K. output of $33 million. A product breakdown is available for only the first quarters of 1962 and 1963 (table 2).

The Board of Trade data do not distinguish between amateur and nonamateur items.

The official U.K. Census of Production for 1958 shows that 26 firms employing 25 persons or more were producing photographic products; 16 were manufacturers of cameras and apparatus and 10 were producers of photographic materials. There are currently 40 member firms of the British Photographic Manufacturers' Association.

Table 1.—U.K. Production of Selected Photographic Products, 1960-62[1]

(In thousands of dollars)

Type	1960	1961	1962
Total	22,453	23,851	21,264
Motion picture cameras	2,626	3,097	1,985
Still cameras	5,513	5,334	4,597
Projectors	6,846	7,199	7,829
Other photographic apparatus	7,468	8,221	6,853

[1]Data exclude photographic lenses, reproduction equipment, sensitized materials, paper, and chemicals. Value represents manufacturers' shipments at net selling prices "ex works."

Source: American Embassy, London, from British Board of Trade data.

Table 2.—U.K. Production of Selected Photographic Products, January-March 1962 and 1963[1]

(In thousands of dollars)[2]

Type	January-March	
	1962	1963
Total	4,264.0	4,964.4
Cameras, complete and parts:		
Motion picture cameras:		
Standard (35-mm.) gage	114.8	8.4
Other	224.0	333.2
Still cameras:		
Box (excluding precision)	434.0	243.6
Other	372.0	380.8
Projectors, complete and parts:		
Motion picture projectors with or without sound reproducing apparatus but excluding sound reproducing apparatus sold separately:		
Standard (35-mm.) gage	92.4	338.8
Other	921.2	1,036.0
Projectors, other	425.6	504.0
Other apparatus, accessories, and parts:		
Motion picture (including screens, studio lighting and film processing equipment, editing equipment, and sound reproducing equipment sold separately)	1,033.2	957.6
Other (including enlargers, reducers, exposure meters, and processing equipment)	646.8	1,162.0

[1]Excluding photographic lenses, reproduction equipment, sensitized materials, paper, and chemicals. [2]Value represents manufacturers' deliveries at net selling prices "ex works."

Source: American Embassy, London, from British Board of Trade data.

Still Cameras, Motion Picture Cameras, and Projection Equipment

Production, by value, in 1960-62 is given in table 1. Quantity figures are not available. Trade sources indicate that for each of the three categories, 60-85 percent of U.K. production consisted of items for industrial, commercial, and/or professional use. U.S. subsidiaries and licensees of U.S. firms account for a minimal portion of total U.K. production of nonamateur motion-picture cameras, still cameras, and projectors.

Reproduction Equipment (Photocopying, Blueprinting, Whiteprinting, and Microfilming)

Official sources do not report separately statistics on the production, exports, and imports of photographic reproduction equipment. The Board of Trade classifies these items in a miscellaneous category of office equipment. Estimated U.K. production of photographic reproduction equipment is $8.5 million for 1962; the estimate for 1957 is $5.6 million.

Trade sources indicate that about 20,000 photocopying machines were sold or rented in the United Kingdom in the period 1960-62. Approximately two-thirds of these were imported; the remainder were of domestic manufacture, for the most part under U.S. license.

An estimated 80 percent of microfilm equipment distributed in the United Kingdom is imported.

EXPORTS

U.K. exports of photographic equipment are fairly well dispersed. The four leading customers in 1962 were West Germany and France ($3 million each), Italy ($2.1 million), and the United States ($1.8 million). U.K. exports to Commonwealth countries and the Irish Republic as a group were valued at $2.2 million. Table 3 itemizes exports of selected products in 1962.

Table 3.—U.K. Exports of Selected Photographic Products, by Type, 1962

Type	Quantity (units)	Value (thousands of dollars)
Total	.....	25,233
Cameras:		
Motion picture cameras	6,624	2,895
Other cameras:		
Box (excluding precision)	117,397	347
Other	14,873	1,290
Motion picture and other projection apparatus:		
Motion picture, with or without sound reproducing apparatus:		
Standard (35-mm.) gage	234	350
Other	9,650	1,394
Still projectors	17,401	511
Lenses and other optical elements, photographic	52,923	1,940
Other appliances (including sound reproducing apparatus) and parts (excluding chemicals, paper, and film):		
Motion picture	.....	3,289
Other, including photographic reproduction equipment	.....	13,217

Source: American Embassy, London, from British Board of Trade data.

DISTRIBUTION

Methods of distributing photographic equipment in the United Kingdom vary according to the type of product. Nonamateur equipment and materials are sold for the most part direct to the end users (large industrial concerns, research bodies, hospitals) by the U.K. manufacturers or, in the case of imported goods, by the importer/distributors. Practically all amateur products plus some supplies for professional photographers are sold by the manufacturers or importer/distributors to the retailers.

There are 40 to 50 distributors of photographic equipment in the United Kingdom. Most of them are importer/distributors, but some are strictly wholesalers who distribute on a national basis for their own account or on behalf of a U.K. manufacturer.

Retailing outlets, of which there are more than 23,000, consist of 4 main types that account for the following percents of retail sales:

	Percent
Unit retailers	76
Multiple stores	17
Department stores	4
Cooperative stores	3

There are approximately 700 specialist photographic retailers and some 2,500 photographic dealers/chemists (drug stores) and/or opticians who do 50 percent or more of their business in photographic goods. About 13,000 drug stores sell nontechnical items including film and inexpensive box cameras. The other 7,000 outlets are general shops whose photographic supply line is principally film.

Multiple and variety chain stores account for approximately 25 percent of total retail sales. Their relative share is increasing.

Because of the variations in import duties, agents' markups, and shipping costs, there is no general formula for deriving the retail price at which photographic products of U.S. origin will sell in the United Kingdom. Beyond the wholesale level, domestic and imported photographic products have about the same markup (purchase tax and retailer's markup). The wholesale price on imports would be the landed duty-paid value plus importer/distributor's markup.

The U.K. import agent, who usually is also the distributor to the retail trade, is the logical point of contact for the U.S. exporter in the establishment of prices and the marketing of products.

CONSUMPTION

Apparent consumption in the United Kingdom of all photographic products (except sensitized materials, paper, and chemicals) was $41.3 million in 1962, a 55-percent increase over the 1957 level of $26.6 million (table 4). Three-fourths of the increase was attributed to the rise in net purchases from abroad.

Table 4.—U.K. Consumption of Photographic Products, 1957 and 1962

(In millions of dollars)

	1957	1962	Increase
Production	29.3	33.0	3.7
Plus imports	10.4	33.5	23.1
Gross availabilities	39.7	66.5	26.8
Minus exports	13.1	25.2	12.1
Apparent consumption	26.6	41.3	14.7

Apparent consumption of cameras and projectors in 1962 was as follows (in millions of dollars):

	Motion-picture cameras	Still cameras	Projectors	Total
Production	2.0	4.6	7.8	14.4
Plus imports	6.3	7.3	[1]6.8	20.4
Gross availabilities	8.3	11.9	14.6	34.8
Minus exports, including reexports	2.9	1.6	2.3	6.8
Apparent consumption	5.4	10.3	12.3	28.0

[1]Includes sound apparatus sold separately and is therefore slightly broader in coverage than the production and export data.

According to the Board of Trade, slightly more than 25 percent ($540,000) of domestic production of motion picture cameras was exported in 1962. The largest part of the total U.K. export value, $2.4 million, was accounted for by resales abroad of imported cameras. The imports retained in the country amounted to $3.9 million and represented 72 percent of apparent consumption. The other 28 percent, $1.5 million, represented domestically produced items.

In the case of still cameras, 12 percent ($570,000) of U.K. production was exported and 88 percent ($4 million) sold domestically. Thus, U.K. production accounted for 39 percent of apparent consumption, and retained imports for 61 percent ($6.3 million).

The proportion of U.K. production of projectors sold abroad amounted to 33 percent, $2.3 million. Imports, $6.8 million, constituted 55 percent of apparent consumption and domestic production, $5.5 million, 45 percent.

Of the three categories combined, $3.4 million, or 26 percent of domestic production, was exported. The balance of output ($11.0 million) constituted 39 percent of apparent consumption and imports ($17 million), 61 percent.

IMPORTS

In the period 1960-62 U.K. imports of the photographic products under study increased sharply, from $26.6 million to $33.5 million. This trend was due partly to the liberalization of imports from Japan in December 1961 and the great influx of cheap products from Hong Kong.

A U.K. dealer specializing in medium- and high-priced equipment reports that immediately after liberalization every other camera he sold was of Japanese origin and that even in early 1963 the proportion was still one in three. Another large retailer stated that an increasing proportion of his sales of still cameras were imported 35-mm. models in the $50 to $100 range.

Annual imports of motion picture cameras rose much more sharply than those of still cameras in 1960-62--from 45,000 to 120,000 units, or 160 percent. Still camera imports increased by only 13 percent, to 850,000 units. In terms of value, motion picture cameras increased by only about 60 percent, suggesting that these were primarily inex-

pensive types. Of the total number of motion picture cameras imported in 1962, those from Japan accounted for a little less than 50 percent.

Some U.K. retailers are able to sell highly sophisticated imported equipment at well under list prices because they are dealing direct with manufacturers and thus bypassing the importer and wholesaler.

The rise in imports from Japan seems to have had an adverse effect on the sales of both German and U.S. manufactured cameras. Two U.S. firms, selling in the middle and upper price range, made price reductions during 1962.

Quantity and value figures for U.K. imports of selected photographic products by country of origin for 1960-62 are shown in table 5. The major suppliers were West Germany ($8.8 million), the United States ($5.9 million) and Japan ($5.0 million), which together accounted for 58 percent of U.K. purchases of foreign photographic equipment.

Table 5.—U.K. Imports of Selected Photographic Products, by Major Country of Origin, 1960-62[1]

Country	Quantity (units)			Value (thousands of dollars)		
	1960	1961	1962	1960	1961	1962
Grand total.....	.....	.....	.....	26,576	31,939	33,453
Motion picture cameras:						
16 mm., total.....	48,300	61,275	118,883	2,710	3,263	4,771
United States.....	10,757	17,023	15,808	459	859	547
Japan.....	2,362	9,064	44,191	85	372	1,479
Switzerland.....	11,677	6,921	11,367	1,023	643	893
West Germany.....	11,229	6,676	16,923	455	437	831
Other.....	12,275	21,591	30,594	688	952	1,021
9.5 mm. or less, total...	4,678	2,327	1,560	143	116	69
United States.....	371	471	n.a.	14	31	n.a.
Japan.....	1,851	1,153	521	42	54	31
Other.....	2,456	703	1,039	87	31	38
Other, total.....	711	372	424	1,122	1,164	1,494
United States.....	54	53	36	201	183	155
France.....	313	70	89	213	246	361
Commonwealth Countries and Irish Republic...	79	69	116	175	218	341
Morocco.....	n.a.	n.a.	3	n.a.	n.a.	165
Other.....	265	180	180	533	517	472
Other Cameras:						
Miniature (35 mm. or less), total.....	261,708	275,897	304,693	4,684	4,778	4,789
United States.....	n.a.	n.a.	3,072	n.a.	n.a.	53
West Germany.....	192,557	166,531	109,980	3,808	3,452	2,352
Japan.....	10,040	17,302	52,868	195	302	1,125
Other.....	59,111	92,064	138,773	681	1,024	1,259
Other (including box), total.....	512,554	484,800	542,015	3,743	2,965	2,504
United States.....	2,447	5,934	4,024	277	449	498
West Germany.....	283,888	202,898	20,062	2,632	1,430	854
Japan.....	2,347	7,230	20,150	108	233	345
Other.....	223,872	268,738	497,779	726	853	807

See footnotes at end of table.

Table 5.—U.K. Imports of Selected Photographic Products, by Major Country of Origin, 1960-62[1]—Con.

Country	Quantity (units)			Value (thousands of dollars)		
	1960	1961	1962	1960	1961	1962
Projectors and sound reproducers, total	140,452	168,000	221,380	3,926	5,932	6,785
United States	6,252	12,577	3,046	370	936	766
Austria	26,819	24,638	32,296	1,059	1,049	1,428
West Germany	70,678	53,278	43,885	1,364	1,848	1,291
Australia	15,132	33,200	46,673	386	562	816
Japan	n.a.	n.a.	47,573	n.a.	n.a.	706
Other	21,571	44,307	47,907	747	1,537	1,778
Lenses and other optical elements, total	1,082,689	1,258,371	758,503	1,807	2,441	2,765
United States	881,743	1,000,320	418,037	452	626	821
West Germany	155,830	116,664	113,677	864	798	719
Japan	4,218	113,646	193,595	55	234	363
Other	40,898	27,741	33,194	436	783	862
Other photographic appliances and parts:						
Motion picture, total	.....	.....	.....	2,960	3,452	2,944
United States	.....	.....	.....	1,188	1,480	896
France	.....	.....	.....	332	318	446
West Germany	.....	.....	.....	378	480	424
Other	.....	.....	.....	1,062	1,174	1,178
Other, total[2]	.....	.....	.....	5,481	7,828	7,332
United States	.....	.....	.....	1,627	2,726	2,126
West Germany	.....	.....	.....	2,522	2,646	2,339
Other	.....	.....	.....	1,332	2,456	2,867

[1]Data exclude sensitized materials, paper, and chemicals.
[2]Includes photographic reproduction equipment.
n.a.--Not available.

Source: Annual Statement of the Trade of the United Kingdom, Volume II, 1961, American Embassy, London, from British Board of Trade data.

The United States accounted for an annual average of nearly 20 percent of U.K. imports of selected photographic products in 1960-62 (table 6). Following the liberalization of imports in late 1959, imports from the United States increased to $4.6 million in 1960, compared with less than $1 million in 1959. A further increase in 1961 brought the U.S. annual rate to a peak of $7.4 million, which constituted 23 percent of U.K. imports for the category. Thereafter, from 1961 to 1962, imports from the United States dropped by 20 percent to $5.9 million, owing largely to substantial decreases in motion picture cameras and projectors.

The steady uptrend in U.S. photographic sales in the United Kingdom prior to 1962 paralleled the course of U.S. exports of these products to all countries. However, in 1962, total U.S. exports continued to increase, rising by 5 percent to $129 million, while U.S. exports to the United Kingdom declined.

Table 6.—U.K. Imports of Selected Photographic Products, Total and From the United States, 1960-62[1]

(Value in thousands of dollars)

Type	1960			1961			1962		
	Total value	From U.S.		Total value	From U.S.		Total value	From U.S.	
		Value	Per-cent		Value	Per-cent		Value	Per-cent
Total.....	25,576	4,588	17.9	31,939	7,374	23.1	33,453	5,862	17.5
Motion picture cameras.....	3,975	674	17.0	4,542	1,073	23.6	6,334	702	11.1
Still cameras...	8,427	277	3.3	7,743	533	6.9	7,293	551	7.6
Projectors.....	3,926	370	9.4	5,932	936	15.8	6,785	766	11.3
Lenses.....	1,807	452	25.0	2,441	626	25.6	2,765	821	29.7
Other equipment	8,441	2,815	33.3	11,280	4,206	37.3	10,276	3,022	29.4

[1]Data exclude sensitized materials, paper, and chemicals.

Source: Annual Statement of the Trade of the United Kingdom, Volume II, 1961; American Embassy, London, from British Board of Trade data.

COMPETITIVE MARKET FACTORS

U.S. products manufactured in the U.K. are for the most part close equivalents of their U.S.-produced counterparts in quality and workmanship, and they are packaged and labeled as in the United States. Most of the articles manufactured under U.S. license were at one time imported from the United States. As a market for them developed, their manufacture shifted from U.S. to U.S./U.K. and then to U.K. Several U.S. subsidiaries manufacture most of their line in the United Kingdom. However, new products of the parent companies are first introduced to the U.K. market through direct importation. So as to maintain the reputation of the product if and when production is transferred to the United Kingdom, the qualities and workmanship of the U.S.-manufactured product are usually upheld in the U.K.-produced counterpart.

West German equipment enjoys a good reputation in the U.K. photographic equipment trade, and a number of items have an advantage over U.S. makes on price alone. In general, U.S. photographic equipment is considered to be of good quality, but high priced. U.K. professional photographers maintain the highest possible standards and, whereas a number of them can afford high-class specialized equipment, price is usually the determining factor. The influx of Japanese products since the Anglo/Japanese Trade Agreement of December 1961 has had a general depressing effect on prices.

The U.S. Trade Center Exhibition of photographic products held in London in the spring of 1962 elicited keen interest on the part of professional and commercial photographers and photo finishers, but some of them were disappointed that more products were not on display. Some of the trade visitors commented on the excellent functional qualities of the U.S. products but were critical of their finish. A black

tripod, though well made, was poorly finished with rough grinding marks showing prominently through the paint.

Similar unfavorable remarks were made regarding other U.S. equipment, notably in contrast with competitive German items, which had better finishes, and Japanese items, which were lower priced.

Viewers pointed out the importance of color in product choice by the U.K. consumer. For example, an expensive commercial camera in two-tone colors, brown and tan, did not appeal to the British consumers, who prefer black, grey, or possibly red. Black to these buyers denotes quality, strength, and durability. In this case the agent proposed to manufacture the camera casing in the United Kingdom so he could finish it in the color he had reason to believe would be acceptable.

SALES OUTLETS AND BUSINESS PRACTICES

Many of the nonamateur photographic equipment sales are made by manufacturers (or their distributors) or in the case of imported goods by importer/distributors direct to the end users; relatively few products are sold through wholesale dealers or retailers. Trade discounts are given on the basis of the manufacturers' and importers' retail list prices.

There are 35 members of the Photographic Importers' Association. A comprehensive list of U.K. firms engaged in importing and distributing photographic products can be purchased for $1.00 from any Department of Commerce Field Office or from the Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C., 20230. The title of the list is "Photographic Supplies Dealers—United Kingdom."

The trade association for professional photographers is the Institute of British Photographers with a membership of approximately 2,200.

Advertising methods for nonamateur equipment are essentially the same as in the United States, i.e., through trade journals. The principal journals are the *British Journal of Photography*, 24 Wellington Street, London, W.C. 2, and *Record*, a publication of The Institute of British Photographers, Ltd., 38 Bedford Square, London W.C. 1.

The biennial Photokina exhibition at Cologne is the major European equipment display. U.K. exhibitions include the Industrial Photographic and Television Exhibition, sponsored by the *Financial Times*, which had its third show November 11-16, 1963, at Earls Court, London; the International Photo-Cine Fair, primarily for amateurs but also attended by professionals, scheduled for May 13-19, 1965, at Olympia, London; the Photographic Convention, sponsored by the Institute of British Photographers, held in October 1962 and next scheduled for the spring of 1965.

The credit allowance given to the trade by the manufacturer or distributor is 2 1/2 percent discount on a monthly settlement. Thus, the credit with discount can be applicable for from 2 to 6 weeks. Deliveries are made immediately from stock or within 5-7 days for special orders.

Service and repair facilities for most types of photographic equipment are available in the United Kingdom, and repair parts are available for the popular lines.

The furnishing of repair services including making spare parts readily available should, of course, be an integral part of plans for U.S. firms introducing new lines in the United Kingdom. Some complaints have been registered in the trade concerning inadequate servicing facilities for certain types of imported equipment.

Two U.S. manufacturers participating in the U.S. Trade Center Exhibition expressed concern over import costs. One manufactured a large cabinet-type slide projector used extensively by lecturers and specialists in the field of education, and the other produced a commercial camera. Both items were completely new and quite expensive. High duties made delivered price of the equipment on the U.K. market practically prohibitive.

Both of the exhibitors learned that by importing the major components, building cabinets, and cases, as well as minor components, in the United Kingdom, then assembling the equipment, they could lower the prices to a point where a number of buyers would be actively interested.

According to several photographic dealers, the best buying time for them was in March. A survey of some of the large retailers revealed the following buying time preferences:

Cameras (still and motion picture).	Before Easter, in preparation for summer season and, to a lesser extent, before Christmas.
Enlargers	Late summer, for autumn and winter darkroom activities. These products are purchased mostly by enthusiasts and photo club members. Sales have declined over the past 3 to 4 years owing to increasing popularity of color film.
Slide projectors	Late summer and before Christmas. Still projector sales have increased over the past few years and have more than offset falling enlarger sales.
Motion picture projectors	Before Easter. As the range of motion picture equipment for amateur use expands and selling prices fall, the appeal of home moviemaking has become more widespread, resulting in increased sales of projectors. The lowered cost of color film has also boosted sales inasmuch as no more equipment is needed to show color than monochrome pictures.
Viewers, editors, and similar accessories.	Late summer, for use in leisure winter evening hours.

TARIFFS, NONTARIFF RESTRICTIONS, AND OTHER PRICING FACTORS

On the basis of a given value f.o.b. U.S. port of shipment, there are five factors which should be taken into consideration in deriving the retail price at which U.S.-origin photographic products will sell in the

United Kingdom. These are: shipping costs to the United Kingdom, U.K. import duty, importer's markup, U.K. purchase tax, and retailer's margin.

Shipping Costs

Shipping costs vary, of course, in accordance with quantity, value, size, and method of transport. One British importer offering a considerable volume and variety of photographic equipment estimates average shipping costs from the United States at a range of 2 to 5 percent.

Import Duty

The U.K. photographic industry is protected by a rather high level of import duties for most categories of equipment. The rates, ranging from 15 to 50 percent ad valorem, are based on the c.i.f. values at U.K. port of entry. In this respect, U.S. exporters are at a disadvantage in the U.K. market compared with European suppliers, because of higher U.S. transportation costs.

There are no quantitative restrictions on U.K. imports of photographic equipment from the United States.

Importer's Markup

In addition to transportation costs and import duties, imports of photographic equipment are at a further disadvantage relative to domestically produced items in that the U.K. manufacturer in many instances bypasses the wholesaler and distributes direct to the retail outlets. In the case of a considerable volume of the commercial, professional, and scientific photographic equipment, the manufacturer sells direct to the end user. Importers of photographic equipment are usually also distributors to the retail trade (or end user). The importer/distributor's markup may be as low as 20 or as high as 40 percent, but it is normally 30 to 35 percent of the landed duty-paid value (c.i.f. value at U.K. port of entry plus import duty). The value of the product including the markup represents the wholesale price. (If the importer is not a distributor, his markup is less, and a wholesaler is used. The wholesaler's markup is about 25 percent.)

U.K. Purchase Tax

Certain categories of photographic equipment sold in the United Kingdom are subject to a purchase tax. The tax is applied regardless of the origin of the products and, therefore, does not discriminate against U.S. items. However, the tax is based on the wholesale price, which in the case of imports is the landed duty-paid value plus importer/distributor's markup and, if a wholesaler is used, his markup as well. The basic rate, where applicable, is 25 percent plus a special 10-percent surcharge on that rate—making a total levy of 27.5 percent.

Retailer's Margin

The retailer's markup is generally 50 percent (43 percent for film), based on the wholesale price before purchase tax. Thus, in the case of an item with a wholesale price of $100 (subject to a purchase tax of

$27.50), the retailer's markup would be $50, and the retail selling price would be $150 plus $27.50 or $177.50.

Information on U.K. import duties on photographic equipment and materials and applicable taxes or surcharges is available from the British Commonwealth Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C., 20230.

EXPORT POTENTIAL FOR U.S. PRODUCTS

Despite the overall sales decrease in 1962, U.S. photographic equipment has a solid foothold in the U.K. market, particularly in the categories of lenses, photographic processing and finishing equipment, photocopying and microfilming apparatus, studio equipment, and other miscellaneous noncamera or nonprojector items. In 1962, these products combined accounted for $3.8 million, or two-thirds of U.S. exports of photographic equipment to the United Kingdom, and constituted 30 percent of U.K. foreign purchases of these items. U.K. purchases of cameras and projectors from the United States in 1962 were valued at $2 million and accounted for only 10 percent of total U.K. imports of these items.

In view of the competition from Switzerland and more recently Hong Kong in the field of amateur equipment on the basis of lower prices, the best prospects for an expansion in U.S. exports to the U.K. lie in the nonamateur camera and equipment field, with particular emphasis on newly developed items and products not available on the U.K. market. Advanced, high-quality items can obtain a portion of the U.K. commercial and industrial market regardless of price. Greater efforts on the part of U.S. industry toward introducing new products and processes would doubtless be productive over the short as well as long range.

With the U.K. economy making an impressive recovery from the slump of 1962, there are good prospects for an increase of U.S. exports to the United Kingdom. The recovery was spurred by a substantial increase in exports which accounted for about half of the rise in industrial production. Imports were also up, reflecting the increased industrial activity and the general mood of optimism in the domestic business community. There was a spurt in consumer expenditures, particularly for durables, stimulated by reductions in the purchase tax.

During the 1962 U.S. Trade Center Exhibition, several importers commented that they knew very little about U.S. products and that what they did know was the result of their own investigations. Thus, U.S. manufacturers would be well advised to distribute information about their products among U.K. importers as one of the best means of obtaining positive results. Also well worth while is participation in the 1965 Industrial Photographic and Television Exhibition (organized by Industrial and Trade Fairs Ltd., Commonwealth House, 1-19 New Oxford Street, London, W.C. 1) and the International Photo-Cine Fair scheduled for May 13-19, 1965 (organized by British Organizers Ltd., 52 Grafton Way, London, W. 1), and subsequent events.

In addition to the promising market described for industrial, commercial, and professional items, the outlook seems good for advanced

high-quality equipment, whether nonamateur or amateur, to obtain a share of the U.K. market through an effective promotion campaign.

The following program is recommended as a means of promoting the sale of all types of U.S. photographic equipment:

1. *U.S. Trade Center Exhibit.*—Participation by U.S. manufacturers in the next exhibit, probably to be held in the Fall of 1965.

2. *Participation in U.K. Exhibitions.*—The International Photo-Cine Fair emphasizes amateur equipment, and the Industrial Photographic and Television Exhibition is almost exclusively nonamateur.

3. *Direct Contact.*—U.S. manufacturers of photographic equipment should correspond direct with the members of the Photographic Importers' Association providing descriptive literature and price information on new products. This communication should be maintained on a continuing basis.

The U.S. photographic products industry should find it beneficial to send one or two representatives with an intimate knowledge of U.S. products to meet with trade representatives and to make a first-hand study of the market.

Part II.—France

SUMMARY ANALYSIS

The rapidly expanding market for photographic equipment in France offers U.S. manufacturers unprecedented opportunities to sell their products. These opportunities lie in both the amateur and nonamateur areas and include in particular still and motion picture cameras, and reproduction equipment. Expenditures for photographic equipment in France in 1962 were eight times the amount spent in 1950. Spending for these products is expected to increase substantially, especially through the efforts of the photographic industry to create a greater interest in photography among the younger generation.

The French economy, which is very strong, augurs well for the future of U.S. exports to France. Gross national product is currently increasing at the rate of more than 4 percent a year, and all indications point to a continued high rate of economic growth, with full employment.

The French photographic industry is characterized by small or medium size manufacturers, heavily concentrated in the Paris area. The manufacturers meet about 60 percent of the domestic demand for all types of photographic equipment and export between 10 and 20 percent of their output. U.S. subsidiaries or licensees account for a large portion of domestic production and are the unquestioned leaders in the manufacture of reproduction equipment.

The value of French production of cameras, projection, and reproduction equipment increased from $33.2 million in 1960 to $36.5 million in 1962. Exports of these products totaled $5.2 million in 1962.

In France, photographic products are usually distributed direct from the manufacturer to the retailer. Wholesalers are used in some cases, especially by foreign firms selling their products in the French market.

Apparent French consumption of the main photographic categories of cameras, projectors, and reproduction equipment increased by 44 percent in 1960-62, to $49.7 million from $34.5 million. Imports accounted for almost all of the increase.

The value of French imports of all categories of photographic products increased from $13 million in 1960 to $37 million in 1962 and more than $45 million in 1963. The unusually large growth is attributable to the general removal of import quota restrictions at the end of 1960. West Germany, France's leading supplier of photographic products, accounted for $15 million of imports in 1962. The United States was second with $6 million, or 16 percent of the import market.

Equipment represented 66.5 percent and sensitized goods 33.5 percent of the imports in 1963, approximately the same proportion as in 1962.

Imports of still cameras totaled $7 million in 1962, of which West Germany, the number one supplier, accounted for 80 percent. In the same year, the United States supplied 37 percent of the $3.4 million imports of movie cameras, and the United Kingdom supplied 33 percent of the $4 million imports of photocopy apparatus.

U.S. photographic products manufactured in the United States or in France compare very favorably in quality with products manufactured in France or imported from third countries. Furthermore, U.S. types are often more advanced than the domestic or other imported items as far as ease of operation and practical innovations are concerned.

Credit, delivery terms, and marketing and advertising methods in France are about the same for domestic manufacturers and importers. Service and repair facilities also appear to present no problems.

French customs duties on photographic products range from 13 to 21 percent ad valorem. There is an added value tax of 25 percent and a stamp tax of 2 percent, neither of which discriminates against the United States. There are no quantitative restrictions on U.S. photographic products, and no import licenses are required.

There is every indication that France offers a rapidly expanding market for photographic products and that a concerted effort on the part of U.S. manufacturers would produce significant results.

DOMESTIC PRODUCTION

The French photographic industry is composed largely of small or medium size specialized manufacturers. Approximately 80 firms with about 6,000 employees acccount for the production of the industry. For the most part the industry is concentrated (about 90 percent), in the Paris area, where the headquarters remain despite a tendency by producers to transfer to or begin operations in other parts of the country.

Some firms manufacture their own brands, and others have their brands produced by subcontractors. Most specialize in a single line of products.

Domestic production of cameras, and projection and reproduction equipment is shown in table 7.

Table 7.—French Production of Selected Photographic Equipment, 1960-62

(In millions of dollars)

Type	1960	1961	1962
Total	33.2	34.3	36.5
Motion picture cameras	12.5	11.8	11.1
Still picture equipment	15.4	17.0	19.0
Projection equipment	3.2	3.5	4.1
Reproduction equipment	2.1	2.0	2.3

The French Government attributed the decline in production of motion picture equipment in 1960-62 to mounting competition from foreign suppliers, particularly German and Japanese. Total consumption continued to rise, however.

The French photographic trade association stated that French manufacturers meet about 60 percent of the domestic demand for all types of photographic equipment. They also stated that some 10-20 percent of the photographic equipment manufactured in France is exported.

No figures are available on the extent to which domestic production is accounted for by U.S. subsidiaries or licensees, but it is known that these manufacturing entities furnish a considerable portion of what is classified as domestic production. Three prominent U.S. firms are important local producers of photographic equipment for the domestic market. U.S. subsidiaries or licensees contribute to the total output of all categories of photographic goods, but are unquestionably the leaders in the manufacture of reproduction equipment.

EXPORTS

French exports of all photographic products have been increasing during the past several years, but at a very slow pace. Export shipments were valued at $31.7 million in 1963, compared with $30.5 million in 1962, $29.3 million in 1961, and $26.2 million in 1960. In 1963 they consisted of 63 percent sensitized goods and 37 percent equipment, compared with 57 and 43 percent, respectively, in 1962.

The export leaders among the sensitized goods in 1963 were roll film, color, perforated, $6.5 million; sensitized photographic paper, $4.3 million; roll film, black and white, perforated, $2.4 million; X-ray film, $2.3 million; roll film, black and white, unperforated, $1.8 million; and cut and sheet film, black and white, $1.8 million. This group increased 16.3 percent over 1962 levels.

France's leading export item was photographic lenses, which, however, dropped to $3,187,651 from $4,119,473 in 1962. Shipments of 16-mm. motion picture film increased sharply, to $1,378,138 from $864,097 in 1962.

Exports of equipment and accessories for motion picture laboratories totaled $1,450,000 in 1963, down slightly from $1,471,400 in 1962.

Table 8.—French Exports of Selected Photographic Products, 1960-62

(Value in thousands of dollars)

Type	1960	1961	1962
Photographic lenses	2,042	2,819	4,119
Cameras, aerial	17	65	24
Cameras, automatic developing	(1)	3	34
Cameras, still, other	480	666	602
Motion picture cameras, aerial	14	24	20
Motion picture cameras, 35 mm. and over	587	425	944
Motion picture cameras, 16 mm.	480	204	489
Motion picture cameras, 8 mm.	(2)	546	551
Motion picture projectors, 35 mm. and over	144	96	64
Motion picture projectors, 16 mm.	499	468	864
Motion picture projectors, 8 mm.	(3)	164	162
Still projectors, enlargers, and reducers	496	572	531
Photocopy apparatus	710	968	953

[1]Not reported.
[2]Included with 16-mm. motion picture cameras.
[3]Included with 16-mm. motion picture projectors.

Source: Statistiques du Commerce Exterieur, 1960-62.

DISTRIBUTION

There are two principal channels of distribution in France for photographic products. The first and most common is direct from manufacturer to retailer through the manufacturer's salesmen. The other important method is from manufacturer to wholesaler to retailer. In addition, there are about 50 importer/wholesalers through whom foreign firms can sell their photographic products in France.

Of the 12,000 retail outlets, 5,000 to 6,000 are true specialists and the others are principally portrait studio photographers (about 2,000), book sellers, and druggists.

There are in France about 150 commercial photographers and 50 illustrative photographers, plus approximately 300 amateur camera clubs.

France's foreign trade and wholesale distribution are largely funneled through Paris, where 32 percent of the country's commercial establishments are located. The major ports and provincial towns are secondary centers for trade in the products of the respective regions. Marseilles is the chief port for Mediterranean trade and Le Havre for transatlantic goods.

In the commercial field, there are numerous small establishments with a very limited turnover. The great majority of retail outlets employ only one or two salaried workers. In the past few years, considerable effort has been made to modernize the distribution system and improve warehousing facilities.

CONSUMPTION

Apparent French consumption of cameras, projectors, and reproduction equipment was $49.7 million in 1962, a substantial increase of 18 percent from 1961 and 44 percent from 1960 (table 9).

Table 9.—French Consumption of Cameras, Projectors, and Reproduction Equipment, 1960-62

(In millions of dollars)

	1960	1961	1962
Production	33.2	34.3	36.5
Imports	4.7	12.1	18.4
Gross availabilities	37.9	46.4	54.9
Exports	3.4	4.2	5.2
Apparent consumption	34.5	42.2	49.7

Increases in French consumption of these main categories of photographic products for 1961 and 1962 paralleled increases in imports in the same years. Not only have imports increased in absolute value, but they have increased substantially in relation to total consumption, accounting for 37 percent in 1962 compared to only 14 percent in 1960.

IMPORTS

French imports of photographic products increased 22.5 percent in 1963 over 1962 levels, from $37.1 million to $45.4 million. Equipment made up 66.5 percent of the 1963 total and sensitized goods 33.5 percent, approximating the 1962 proportion.

The substantial growth of French imports in recent years is due primarily to the general removal of import quota restrictions at the end of 1960.

Still cameras continue to be the leading import item, totaling $7,996,963 in 1963, an increase of 26.4 percent over 1962 totals. The largest gain was recorded by photocopy equipment, which made a sharp gain of 87.3 percent, from $3,960,446 to $7,419,635. Purchases of sensitized paper totaled $3,248,988, an increase of 13.6 percent over 1962 levels.

Imports of 8-mm. movie cameras and projectors continued their upward trend, the former increasing by 14.3 percent and the latter by more than 50 percent in the year.

West Germany, the principal supplier of photographic products to France, accounted for $15.1 million, or 41.0 percent of total imports, in 1962 compared with $11.7 million (46.8 percent) in 1961. The United States is the second largest supplier, followed by Belgium, the United Kingdom, and Italy (table 10).

In 1962, the leading French photographic products imports were still picture cameras which (other than aerial and the automatic developing types) totaled $6.3 million, an increase of 26.2 percent over 1961. West Germany supplied 86.5 percent, the United States 3.1 percent, and Japan 2.4 percent.

Imports of photocopy apparatus increased from $1.9 million in 1961 to $4.0 million in 1962. Purchases from the United Kingdom in 1962 totaled $1.3 million, a fivefold increase over 1961 levels. Other suppliers were West Germany, the United States, Netherlands, and Switzerland.

Table 10.—Principal Suppliers of Photographic Products to France, 1961 and 1962

(Value in millions of dollars)

Country	1961		1962	
	Value	Percent of total	Value	Percent of total
Total	25.0	100	37.1	100
West Germany	11.7	47	15.1	41
United States	3.5	14	6.0	16
Belgium	2.8	11	3.3	9
United Kingdom	1.4	6	2.8	8
Italy	1.3	5	2.6	7
Other countries	4.3	17	7.3	19

Source: Statistiques du Commerce Exterieur, 1961 and 1962.

Imports of 8-mm. motion picture cameras increased from $1.5 million in 1961 to $2.5 million in 1962. Purchases from the United States, the leading supplier, almost doubled in the period.

Total French imports of 8-mm. motion picture projectors also increased sharply. Austria and West Germany combined accounted for 63 percent of the total dollar volume in 1962.

In the sensitized, unexposed, photographic film categories, exceptionally large increases were recorded in the imports of black and white roll film, perforated and unperforated, in black and white cut and sheet film, and in X-ray film.

Purchases from other countries of sensitized photographic paper totaled $2.9 million in 1962, an increase of 24 percent over 1961. West Germany remained the leading supplier, despite a 16-percent decrease in imports from that source in 1961-62. Imports from the United States more than tripled in the same period, while Belgium and the Netherlands increased their sales by 23 percent and 90 percent, respectively.

Table 11 shows the value of French imports of major photographic products and the value of the U.S. share for each of these items.

Table 11.—French Imports of Selected Photographic Products, Total and From the United States, 1960-62

(Value in thousands of dollars)

	1960		1961		1962	
	Total	From U.S.	Total	From U.S.	Total	From U.S.
Still picture cameras:						
Aerial	12	(1)	35	(1)	148	(1)
Cameras, automatic developing	148	68	452	126	519	190
Other	1,114	78	5,011	61	6,325	198
Motion picture cameras:						
Aerial	51	36	18	15	60	43
35 mm. and over	114	42	226	181	310	98
16 mm	712	128	198	128	515	210
8 mm	(1)	(1)	1,519	468	2,531	904
Photocopy apparatus	950	97	1,927	336	3,960	702
Photoflash equipment	403	387	434	14	720	19
Photographic laboratory equipment	490	180	820	362	1,378	576
Motion picture projectors:						
35 mm. and over	284	42	331	13	324	23
16 mm	328	23	127	13	280	24
8 mm	(1)	(1)	929	45	1,403	60
Still projectors, enlargers, reducers	960	338	1,332	368	1,973	576
Photographic lenses	140	22	805	37	1,282	114
Photographic plates, glass	92	(1)	95	11	97	(2)
Cut and sheet film, black and white	776	120	1,380	194	1,788	318
Cut and sheet film, color	203	176	215	143	349	276
X-ray film, other than roll	654	(1)	814	39	1,321	65
Roll film, unexposed:						
Black and white, unperforated	861	21	1,047	66	1,363	82
Color, unperforated	203	23	317	11	301	26
X-ray, unperforated	11	(1)	58	(2)	395	(2)
Black and white, perforated	1,088	(1)	1,536	30	1,942	64
Color, perforated	521	(1)	967	295	1,113	152
Sensitized photographic paper	1,369	(1)	2,312	213	2,861	763

[1]Not reported separately.
[2]Less than $10,000, if any.

Source: Statistiques du Commerce Exterieur.

Official U.S. statistics show an increase in the period 1961-62 of 71 percent in U.S. exports of all types of photographic products to France compared with only 5 percent in such exports to all countries.

COMPETITIVE MARKET FACTORS

U.S. photographic products, including those manufactured in France by U.S. subsidiaries and licensees, compare favorably with merchandise of French origin and that imported from other countries. About 17 percent of all the photographic equipment imported into France comes from the United States. The United States is second only to Germany among the countries from which France purchases in this field. That U.S. manufacturers are able to hold this market, and especially remain well ahead of the Japanese (now eighth largest supplier) is a good indication that U.S. goods are competitive.

U.S. equipment seems to be as good as and in some instances superior to the output of competitors in terms of styling, quality, workmanship, packaging, and labeling. The workmanship and quality of U.S. goods tends to be superior to the Japanese products which, however, can usually be purchased for slightly less. The quality and workmanship of some of the very expensive equipment originating in Germany is excellent, but the United States does not supply to this market a significant portion of the equipment falling in this category, so an actual comparison is difficult to make.

With respect to ease of operation and the incorporation of practical innovations, U.S. items are usually far ahead of domestic products or imports from other countries.

The exact prices on the French market for similar pieces of equipment manufactured in various other countries are not obtainable. Until recently there was a "prix impose," or minimum price, fixed by the manufacturer, below which the retailer could not sell. It is believed that these price arrangements are no longer in effect. The industry's trade association, as well as wholesale and retail houses, have indicated that the prices for like items are about the same. These sources also stated that they were in a position to modify price schedules to meet the prices charged for competitive items.

French manufacturers and U.S. subsidiaries apparently think that they can withstand and overcome any challenge from Japan. At present an agreement between France and Japan limits the importation of Japanese cameras. Only $200,000 worth can enter France each year. This restriction is not applicable to other categories of photographic equipment manufactured in Japan.

SALES OUTLETS AND BUSINESS PRACTICES

A current U.S. Department of Commerce "Trade List" identifies and describes the French firms engaged in importing and wholesaling photographic products. The list, "Photographic Supplies Dealers and Photographers-France," can be purchased for $1.00 from any Department of Commerce Field Office or from the Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C., 20230.

Both Government and trade association sources have indicated that similar credit and delivery terms are granted by companies in all of the countries from which France imports as well as by domestic producers, and that credit is readily available to reputable firms. The purchaser is influenced largely by special features and personal tastes.

The marketing and advertising methods of domestic producers appear to be about the same as those used by U.S. manufacturers. One is less conscious of advertising as a medium in France than in the United States as there are few billboards and no commercial television. Advertisements on posters, in newspapers, and in the movie theaters are not markedly different for domestic equipment than for U.S. or U.S.-subsidiary or licensee equipment, and these media are not widely used in any case. The most commonly used advertising media in France are trade magazines, technical journals, newspapers, and other periodicals.

There are no major problems or factors involved in trading with France. This is a good market for U.S. products, and trade procedures between the countries are well established. U.S. firms selling in the French market do not face currency exchange problems. French importers prefer quotations c.i.f. French ports. They are accustomed to buying U.S. goods for payment against documents, although exporters in other countries often quote "free delivered, duty-paid" prices and frequently offer extended credit. Goods cannot be consigned "to order" on French railroads, but must be consigned direct to a consignee. For a nominal fee, French railways will collect on c.o.d. freight shipments and remit the money to the shipper.

The usual French business hours are from 9:00 a.m. to 12 noon and from 2:00 to 6:00 p.m. During August, most establishments close for 3 to 4 weeks to allow for paid vacations.

French is preferred as the language of correspondence and is likely to bring a more prompt answer from firms with which U.S. manufacturers have had no previous relations. After contacts have been established, correspondence can in many cases be carried on in English.

The metric system of weights and measures is used exclusively.

Photographic products and accessories of all types are exhibited at the Salon National Photographique, Cinematographique et Optique. This exposition is the major vertical fair in France and brings together all aspects of the industry. It is national rather than international, therefore U.S. firms that wish to participate, other than those having French licensees or subsidiaries, must do so through import agents. Horizontal trade fairs usually feature only a few exhibits in the field of photography.

The sale of U.S. products is not hampered by a lack of service facilities or because of any difficulty in replacing parts. The U.S. companies that are important in the photographic field in France have set up French subsidiaries or licensees and have a complete line of facilities. Items that are either manufactured or assembled in France can be serviced as easily as in the United States.

TARIFFS AND NONTARIFF RESTRICTIONS

Customs duties on photographic supplies were lowered in July 1963, and now range from 13.2 to 21 percent ad valorem. In addition, there is an added value tax of 25 percent and a stamp tax of 2 percent, neither of which discriminates against the United States.

All photographic products can be imported from the United States into France without quantitative restrictions. No import licenses are required. The only existing restriction applies to imports of cameras from Japan.

Inasmuch as France is a member of the European Economic Community (EEC), countries within the EEC supplying photographic products to France have a decided tariff advantage over the United States and other nonmember countries. Rates of duty on imports from EEC countries now range from zero on some photographic items to 10 percent ad valorem on others. Eventually, all duties within the EEC will be eliminated.

EXPORT POTENTIAL FOR U.S. PRODUCTS

The market for photographic products in France is rapidly expanding, offering U.S. manufacturers significant sales opportunities. In addition to the sales potential in nonamateur equipment, excellent opportunities are available in two other areas. The first is in consumer cameras and projection equipment. Keen and growing interest is evident in taking pictures with both still and motion picture cameras. At present, only one in six Frenchmen owns a camera, and most of the camera owners are concentrated in the 18-30 year age bracket. If the French market follows the pattern in other countries, interest in photography is sure to increase. Eight times more money was spent for photographic equipment in 1962 than in 1950. Those presently owning such equipment are likely to buy additional items, probably of a more sophisticated level. It is to these buyers that the middle-price range, easy-to-operate U.S. goods will appeal.

The second area of opportunity is in reproduction equipment using a photographic process. One U.S. photographic product manufacturer is reportedly doing 5 to 10 percent of his French business in this type of equipment, and two other prominent U.S. firms have recently entered the French market. The U.S. firms participating in this relatively new sector of the photographic field are doing well, but the saturation point is nowhere within range.

Contributing to a viable French market in photographic goods is a strong national economy. Gross national product is increasing at more than 4 percent annually in terms of constant prices, and all indications point to a continued high rate of economic growth with full employment.

Per capita income in 1962 was $1,230, about half the average in the United States, but high by the standards of the rest of the world.

There is a growing demand for consumer goods brought about by a 1963 spring/summer upturn in the economy. U.S. exporters shipped 10 percent more merchandise of all types to France in the first half of 1963 than they did in the comparable period in 1962, maintaining the U.S. position as second largest supplier after West Germany.

The increasing interest in still photography and moving picture making in France has been intensified through the use of color film and low-priced equipment. This trend has been largely attributable to the industry's efforts to engage the members of the younger generation. Competitions in photography have been organized by many of the academies throughout France, in which cameras are loaned to young people and their film developed free of charge.

The market for all types of photographic equipment, both commercial and consumer types, has good growth potential. Strong, well-planned promotion on the part of U.S. manufacturers can be expected to produce favorable results.

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